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MEMORANDUM

OFFICE OF THE VICE PRESIDENT

WASHINGTON

INFORMATION

CONFIDENTIAL

Memo No. 1417-77

September 7, 1977

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Denis Clift

SUBJECT: Meeting with President Videla of Argentina
Friday, September 9, 1977, 9:00 a.m.

The paper for the meeting you and the President will have with President Jorge Rafael Videla of Argentina is at Tab A.

The Argentine President's biographic sketch is at Tab B.

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ARGENTINA

PARTICIPANTS

ARGENTINA	US
President Jorge Rafael Videla (HORhay RAFAIel VeeDEHleh)	The President
Vice Admiral Oscar Montes, Foreign Minister (OHScar MOHNtes)	The Secretary
	Dr. Zbigniew Brzezinski
	Assistant Secretary Todman
	Charge' Maxwell Chaplin
	Mr. Robert Pastor

Checklist

-- Courtesy Point - We want to thank President Videla for his warm reception of Assistant Secretary Todman on his recent trip to Argentina.

-- Human Rights - We want to impress on the Argentines our concern over their continuing gross violations of basic human rights. We understand that they inherited a chaotic mess, but terrorism is now largely controlled. Human rights violations continue however. We think now is the time to move ahead. We are heartened to hear of releases of prisoners and the reinstatement of the "right of option".

-- Non-Proliferation and the Treaty of Tlatelolco - We want to impress on the Argentines the danger of nuclear arms proliferation; full safeguards are a necessity. We also want them to ratify the Treaty of Tlatelolco to indicate Argentine dedication to peaceful uses of atomic energy.

-- Malvinas/Falkland Islands - We want to stay out of this Argentine--UK dispute. We are pleased that conversations are going on between the two governments to resolve the questions.

-- Helicopter Sale - (If raised by President Videla) - We limited the equipment which will be supplied on the eight commercial Model 212 Bell helicopters because of present problems in the human rights field.

-- Trade - Point out that current US health and custom regulations will not allow Argentine fresh meat to enter the US.

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ARGENTINA

I. Setting

President Jorge Rafael Videla came to power in a March 1976 coup d'etat. Economic instability and right-wing and left-wing violence were rampant. The new government took the form of a Junta composed of the chiefs of the three armed services with Videla (Army) as President. It had two primary goals: elimination of terrorism and restoration of the economy.

The struggle against terrorism from the left is now largely won, but the excesses of counterterrorism remain a serious problem. Some of the security forces are running out of control. We believe that President Videla is a moderate who probably would constrain such right-wing terrorism if he could, but pressure from hard-line military officers restricts his freedom to act. Some progress in human rights has been made, however. Prisoners have been released and the Argentines have announced they will soon reinstate the "right of option".

The once powerful trade unions are under tight wraps and many of their leaders have "disappeared". The government is considering a plan for incorporating civilians into political process, but no action has yet been taken.

In the security field we are concerned that the Argentines $350 million favorable trade balance with the Soviet Union, may lead them to seek Russian weapons. Our restrictions on arms sales for human rights reasons pushes them toward the Russians.

In the economic field, the Videla government began to reverse the populist programs of the Peronist years by reestablishing a free market economy. The results have been generally very successful; but inflation remains a continuing problem and labor has been squeezed. The U.S. had a $250 million favorable trade balance with Argentina in 1976.

U.S.-Argentina difficulties relate to the excesses of counterterrorism and our general concerns regarding nuclear proliferation. (The latter issue is now coming to the fore.)

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II. Issues

I. Human Rights

The human rights situation in Argentina is the principal obstacle to closer relations. There have been some improvement, including the release of some prisoners and an announcement that the "right of option" will soon be reinstated. However, the Argentine government continues to refuse to acknowledge the names of thousands of political prisoners. Disappearances, summary executions, torture, and instances of anti-Semitism also occur.

As the result of human rights violations, we proposed a reduced FMS credits program for FY '78. Argentina rejected the proposal but kept the door open to FMS sales and training. We have not signed the FY '77 FMS agreement for human rights reasons. We are now refusing all military items for internal security use. All other requests for military items are reviewed on a case-by-case basis.

The Argentines will not participate in this years joint US-Latin American fleet exercise (UNITAS). Their stated reason for nonparticipation is "difficulty in obtaining small parts" for their ships. We believe it is a protest of our arms sales policy.

The Kennedy-Humphrey amendment to this year's security assistance bill will virtually eliminate military ties to Argentina on October 1, 1978.

We have abstained, voted against and pressed the Argentines to withdraw loan proposals in the international financial institutions. There is no AID program in Argentina because of its high per capita income.

Talking Points

-- The United States recognizes that Argentina has been victim of a brutal terrorist campaign.

-- The Argentine government has decisively mastered the security situation, but it does not appear to be moving with sufficient speed and determination to abolish lawlessness by security forces and others.

-- We are concerned that people are being repressed simply because they dissent. Lawful opposition should not be confused with subversion.

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-- We strongly urge an end to the state of siege and the public listing of all prisoners showing their place of detention and the charges against them. Due process should be restored and all future excesses punished.

-- Reports of continued torture and disappearances are distressing.

-- We want to express our concern over the case of Jewish publisher Jacobo Timmerman of the respected daily La Opinion. He is being held without charges. Should an outbreak of anti-semitism occur it would be most harmful to US-Argentine relations.

-- We do recognize the partial steps taken by the Argentine government to assure basic human rights. The May release of prisoners and the recently announced intention to restore the "right of option" are positive indications of such Argentine movement. (The "right of option" allows Argentine citizens to leave country if held under State of Siege provisions.)

-- We think it essential for the government to recognize its unquestioned strength. It should begin to gamble on the side of returning the country to the rule of law.

-- Human rights concerns will not permit us to sign the FY 1977 FMS credits.

-- We regret the Argentine nonparticipation in the UNITAS exercise but appreciate their offer of logistic support. We look forward to their rejoining UNITAS in the future.

2. Non-Proliferation and the Treaty of Tlatelolco

Argentina has the most advanced nuclear capability of any Latin American state and the greatest potential for an autonomous fuel cycle. The Argentine government has stated that it seeks nuclear technology in order to satisy its energy needs and for strictly peaceful purposes. We are concerned, however, because of Argentina's apparent progress toward acquiring an independent, unsafeguarded reprocessing capacity. We are considering the transfer of sensitive heavy water technology to the Argentines if they will forego reprocessing and accept full scope safeguards. The Argentines recently signed a limited safeguards agreement with Canada covering previously purchased nuclear fuel. They are now discussing with the Canadians the possibility of accepting full scope safeguards in return for further Canadian technical assistance in the nuclear area.

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Talking Points

-- The United States is concerned over the possible spread of nuclear explosive capabilities. We feel the world community must take steps to reduce this growing danger.

-- At the same time, the United States recognizes the need for states to expand and diversify their energy resources on a secure basis.

-- We applaud the recent Argentine-Canadian limited safeguard agreement.

-- Ratification of the Treaty of Tlatelolco would demonstrate Argentine committment to the peaceful uses of nuclear energy.

-- The US is considering Argentine requests for technical assistance and nuclear cooperation. Specific requests relating to nuclear fuel are also under study.

3. The Malvinas/Falkland Islands

Argentina has disputed British possession of the Malvinas (Falkland Islands) since 1833. The 2,000 inhabitants of the islands want nothing to do with Argentina. The issue is further complicated by possibly large oil reserves in the Falkland Island shelf. In July, the UK and Argentina began another round in a series of conversations about sovereignty of the islands. The US has not taken sides in this dispute. (In talking with Videla you should use the Argentine name, Malvinas.)

Talking Points

-- We are pleased that Argentina and the UK are carrying on conversations directed toward resolving this question.

4. Sale of Helicopters (If raised by GOA)

We have agreed to sell the Argentine military eight Bell 212 commercial model helicopters, two of which will be used to transport President Videla. However, we did not agree to the original configuration requested by the Argentines. Machine gun mounts were eliminated on all of the eight, and armor plating was permitted only on those two aircraft to be used for President Videla's security.

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